

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
TATESVILLE WATER ASSOCIATION)	CASE NO. 92-389

O R D E R

On September 10, 1992, Tatesville Water Association ("Tatesville") filed an application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Tatesville's supplier, the city of Somerset Utilities ("Somerset"), will increase its monthly rate for purchased water from \$1.55 per 1,000 gallons to \$2.00 per 1,000 gallons effective October 1, 1992.

2. Tatesville proposed to increase the rates to its customers effective October 1, 1992.

3. During the 12 months ending August 1992, Tatesville purchased 27,946,700 gallons of water and sold 20,712,635 gallons.

4. The purchased water adjustment and rates proposed by Tatesville are incorrect in that it did not use the correct method of rounding in calculating the increase in the cost of water.

5. The correct increase in the cost of purchased water is \$12,576.01, resulting in a purchased water adjustment of 61 cents per 1,000 gallons as shown in Appendix B which is attached hereto.

6. Based on an average usage of 5,000 gallons, the average bill of Batesville's customers will increase from \$25.45 to \$28.50, or 11.97 percent.

7. The purchased water adjustment of 61 cents per 1,000 gallons and the rates in Appendix A are fair, just and reasonable, and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Batesville are denied.

2. The purchased water adjustment of 61 cents per 1,000 gallons of water in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are approved for service on and after October 1, 1992.

3. Within 30 days of the date of this Order, Batesville shall file revised tariff sheets setting out the rates approved herein.

4. Within 30 days of the date of this order, Batesville shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 9th day of October, 1992.

ATTEST:

Don Mills
Executive Director

PUBLIC SERVICE COMMISSION

Don L. Dyer
Chairman

Thomas M. Dwyer
Vice Chairman

Robert M. Davis
Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-389 DATED October 9, 1992

The following rates and charges are prescribed for the customers in the area served by Batesville Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

5/8 Inch Meter

First 1,000 gallons	\$9.26 Minimum Bill
Next 4,000 gallons	4.81 per 1,000 gallons
Over 5,000 gallons	3.71 per 1,000 gallons

3/4 Inch Meter

First 5,000 gallons	\$28.50 Minimum Bill
Over 5,000 gallons	3.71 per 1,000 gallons

1 Inch Meter

First 10,000 gallons	\$47.05 Minimum Bill
Over 10,000 gallons	3.71 per 1,000 gallons

1 1/2 Inch Meter

First 15,000 gallons	\$65.60 Minimum Bill
Over 15,000 gallons	3.71 per 1,000 gallons

2 Inch Meter

First 20,000 gallons	\$84.15 Minimum Bill
Over 20,000 gallons	3.71 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-389 DATED October 9, 1992.

Calculation of Purchased Water Adjustment

Gallons Purchased: 27,946,700

Gallons Sold: 20,712,635

Cost at New Rates: 27,946,700 m. gals. x \$2.00 = \$55,893.40

Less

Cost at Base Rates: 27,946,700 m. gals. x \$1.55 = \$43,317.39

Increase \$12,576.01

\$12,576.01 ÷ 20,712,635 m. gals. sold = .607166 or 61 cents per
1,000 gallons